

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 3925 – SB 3916

June 2, 2010

SUMMARY OF AMENDMENT (019207): Deletes the authorization for \$77,700,000 in bonds of which the proceeds would have been allocated to the Department of Finance and Administration for the purpose of acquisition and implementation of a radio system and driver license issuance system software and equipment.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Expenditures – \$30,600,000 – 1st Year Debt Service

\$405,381,500 Over life of the bonds
\$270,441,100 Principal
\$134,940,400 Interest

(Reflected in the Governor's FY10-11 Recommended Budget)

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Increase State Expenditures – \$20,500,000 – 1st Year Debt Service

\$314,861,000 Over life of the bonds
\$192,741,100 Principal
\$122,119,900 Interest

(Reflected in the Governor's FY10-11 Recommended Budget)

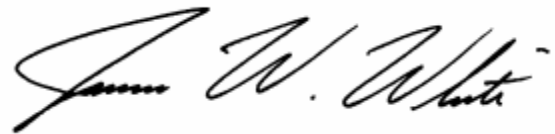
Assumptions applied to amendment:

- All projects authorized shall be approved by the State Building Commission.
- Bonds may be designated as college savings bonds pursuant to the Baccalaureate Education Savings for Tennessee Act.
- First-year debt service on the issuance of \$13,200,000 of bonds is approximately \$1,453,000. These are 20-year bonds with a projected coupon rate of six percent. The projects for which these bonds will be authorized are in the Governor's recommended budget (page A-139).

- First-year debt service on the issuance of \$16,400,000 of bonds is approximately \$1,805,000. These are 20-year bonds with a projected coupon rate of six percent. The projects for which these bonds will be authorized are in the Governor's recommended budget (page A-162-163).
- First-year debt service on the issuance of \$77,000,000 of bonds is approximately \$8,471,000. These are 20-year bonds with a projected coupon rate of six percent. Debt service for these bonds is included in the Governor's recommended budget (page A-129).
- First-year debt service on the issuance of \$87,500,000 of bonds is approximately \$9,002,000. These are 20-year bonds with a projected coupon rate of six percent. Debt service for these bonds is included in the Governor's recommended budget (page A-129).
- Debt service savings of \$231,000 on the repeal of the prior bond authorization of \$1,358,900. These were seven-year bonds with a coupon rate of three percent.
- Total first-year debt service is estimated to be \$20,500,000 $[(\$1,453,000 + \$1,805,000 + \$8,471,000 + \$9,002,000) - \$231,000 = \$20,500,000]$.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

/rnc